

## Message Text

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ORIGIN OES-07

INFO OCT-01 EUR-12 ISO-00 ACDA-12 DODE-00 EB-08  
NSAE-00 ICA-11 TRSE-00 SOE-02 DOE-15 CIAE-00  
COME-00 PM-05 INR-10 IO-13 L-03 NSC-05 NRC-05  
SS-15 SP-02 CEQ-01 /127 R

DRAFTED BY OES/NET/EIC: D COOPER/ACDA: T GRAHAM:SMJ  
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ACDA/NX: T GRAHAM  
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DOE/IA: R SLAWSON  
EUR/SE: JOHN RATTIGAN (SUBS)  
ACDA: R WILLIAMSON  
DOD: MAJOR P OPPENHEIM

-----006095 202230Z /73

P 201953Z JUN 78  
FM SECSTATE WASHDC  
TO AMEMBASSY ATHENS PRIORITY  
INFO AMEMBASSY VIENNA PRIORITY

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USIAEA

E.O. 11652:N/A

TAGS: PARM, TECH, ENRG, GR, IAEA

SUBJECT:SPECIAL NUCLEAR MATERIAL FOR GREECE'S RESEARCH  
REACTOR

REFS: (A) 76 STATE 301577; (B) 76 ATHENS 13243; (C) STATE  
79409 (TO BE REPEATED SEPTTEL TO ATHENS); (D) 76 STATE 312-  
981; (E) 77 ATHENS 7144; (F) 78 STATE 88681; (G) 78  
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ATHENS 2724; (H) 78 ATHENS 4118.

1. SUMMARY: THE EXECUTIVE BRANCH HAS REVIEWED THE  
APPLICATION TO EXPORT 7.0 KGS OF HIGHLY ENRICHED URANIUM  
(HEU) TO EURATOM (FRANCE) FOR FABRICATION INTO FUEL FOR  
THE GRR-1 RESEARCH REACTOR AT THE DEMOCRITIS NUCLEAR RE-  
SEARCH CENTER AND HAS RECOMMENDED THAT NRC ISSUE LICENSE.

EVEN THOUGH THE GREEKS MEET THE NEW U.S. EXPORT CRITERIA, THE NRC MAY BE UNABLE TO ISSUE LICENSE IMMEDIATELY BECAUSE EURATOM HAS NOT MET ONEREQUIREMENT OF NUCLEAR NON-PROLIFERATION ACT, BUT WE ARE HOPEFUL THAT THIS MATTER WILL BE SATISFACTORILY RESOLVED IN NEAR FUTURE. MEANWHILE, WE BELIEVE IT WOULD BE APPROPRIATE TO FOLLOW UP EARLIER ACTION ON SPENT FUEL RETURN. END SUMMARY.

2. EXECUTIVE BRANCH REVIEW OF APPLICATION TO EXPORT 7 KG HEU FOR GREECE HAS CONCLUDED THAT THIS EXPORT WOULD MEET THE EXPORT CRITERIA ESTABLISHED UNDER THE NEW LAW. HOWEVER, THE NRC MAY BE UNABLE TO ISSUE THE REQUIRED LICENSE IMMEDIATELY BECAUSE THIS MATERIAL IS TO BE CONVERTED AND FABRICATED IN A EURATOM COUNTRY (FRANCE). THE PROVISIONS OF THE NEW NUCLEAR NON-PROLIFERATION ACT IN EFFECT REQUIRE THAT EURATOM MUST AGREE TO RENEGOTIATE ITS AGREEMENT FOR COOPERATION WITH THE U.S. BEFORE EXPORTS TO EURATOM COUNTRIES CAN BE LICENSED. (THIS WAS SPECIAL REQUIREMENT FOR IAEA AND EURATOM STEMMING FROM THE FACT THAT THEIR AGREEMENTS ARE WEAKER IN SOME RESPECTS THAN U.S. BILATERAL AGREEMENTS.)

IT IS NOT

CLEAR HOW SOON THE ISSUE WILL BE RESOLVED. HOWEVER, WE DO NOT EXPECT THIS TO RESULT IN A SIGNIFICANT HOLDUP OF THE GREEK LICENSE BECAUSE WE ARE WORKING WITH THE NRC TO RESOLVE SPECIAL CASES LIKE GREECE WHERE MATERIAL IS LIMITED OFFICIAL USE

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GOING INTO EURATOM ONLY TO AN INTERMEDIATE CONSIGNEE. IN ANY EVENT, WHILE THIS PROBLEM MOVES TOWARD RESOLUTION BY ONE ROUTE OR ANOTHER, WE BELIEVE IT APPROPRIATE TO FOLLOW UP ON EARLIER LETTER EXCHANGE WITH GOG CONCERNING SPENT FUEL RETURN (REFTEL E).

3. ON JANUARY 28 AND 29, 1977, THE GOG EXCHANGED NOTES WITH THE USG (NOS. D. F.6321/1/118/AS 192) TO CERTIFY THAT ARTICLES II, VI, AND VII OF THE 1955 AGREEMENT FOR COOPERATION, WHICH EXPIRED ON AUGUST 3, 1974, WOULD APPLY TO THIS EXPORT (REF (D)). ARTICLE II PLACES A CEILING OF 6 KG ON THE AMOUNT OF CONTAINED U-235 WHICH MAY BE UNDER GOG JURISDICTION AT ANY ONE TIME, PLUS SUCH ADDITIONAL QUANTITY AS IN U.S. OPINION IS NECESSARY TO PERMIT THE EFFICIENT AND CONTINUOUS OPERATION OF THE REACTOR WHILE REPLACED FUEL ELEMENTS ARE RADIOACTIVELY COOLING IN GREECE OR WHILE FUEL ELEMENTS ARE IN TRANSIT. PRESENTLY, ACCORDING TO OUR RECORDS, THERE ARE 13 KGS OF IRRADIATED HEU IN GREECE, A SUBSTANTIAL PORTION OF WHICH WILL HAVE BY NOW BEEN REMOVED FROM THE REACTOR FOR A SUFFICIENT PERIOD OF TIME TO ENABLE IT TO BE COMPARATIVELY EASILY HANDLED AND TRANSPORTED. FYI: IN VIEW OF THE CEILING

NOTED ABOVE AND THE PLANNED TRANSFER OF FRESH FUEL, WE BELIEVE THAT RETURN OF SUFFICIENTLY COOLED SPENT FUEL TO U.S. IS DESIRABLE. END FYI.

4. ACCORDINGLY, WHILE EFFORTS PROCEED ON SETTLEMENT OF THE EURATOM DIFFICULTY (WHICH WE HOPE WILL BE RESOLVED IN THE NEAR FUTURE), EMBASSY IS REQUESTED TO FOLLOW UP ON THE AGREEMENT MADE BY THE PRESIDENT OF THE GREEK AEC TO DISCUSS RETURN OF SPENT FUEL (REF (E)) AND INITIATE DISCUSSIONS ON A CONTRACT COVERING RETURN OF IRRADIATED HEU AFTER AN APPROPRIATE COOLING TIME. UNDER SUCH CONTRACTS THE COOPERATING PARTNER RECEIVES CREDIT FOR RESIDUAL FUEL

VALUE MINUS REPROCESSING AND TRANSPORTATION COSTS.  
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DEPARTMENT IS POUCHING STANDARD DOE REPROCESSING CONTRACT FOR EMBASSY'S USE IN DISCUSSING THIS MATTER WITH GOG OFFICIALS. YOU SHOULD INITIATE DISCUSSIONS ASAP AFTER RECEIPT OF CONTRACT AND CABLE REPORT ON DISCUSSIONS ADVISING OF ANY QUESTIONS OR PROBLEMS RAISED.

5. IN MAKING ABOVE APPROACH TO GOG, YOU SHOULD EMPHASIZE THAT U.S. EFFORTS TO MINIMIZE INVENTORIES OF HEU ARE BEING APPLIED ON A NON-DISCRIMINATORY BASIS AS ONE PART OF OVERALL U.S. HEU SUPPLY POLICY AIMED AT REDUCING THE USE OF HIGHLY ENRICHED URANIUM IN OTHER THAN THOSE APPLICATIONS FOR WHICH THERE IS STRONG TECHNICAL OR ECONOMIC JUSTIFICATION. RECENT DEPARTMENT OF ENERGY ANNOUNCEMENT OF ITS PROGRAM FOR THE DEVELOPMENT OF A LOW-ENRICHED URANIUM FUEL (REF (F)) IS ANOTHER ASPECT OF THIS POLICY WHICH WILL BE OF IMPORTANCE FOR FUTURE SUPPLY OF RESEARCH REACTOR FUEL. VANCE

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** URANIUM, NUCLEAR REACTORS, NUCLEAR RESEARCH, FISSIONABLE MATERIALS TRANSFER  
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**Copy:** SINGLE  
**Draft Date:** 20 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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**Disposition History:** n/a  
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**Executive Order:** N/A  
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**TAGS:** PARM, TECH, ENRG, GR, US, IAEA  
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**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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20 Mar 2014  
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